



Corporate Presentation

January 2012

SNAPSHOT

	2010	2011F	2012B
Cash flow ⁽¹⁾ (C\$ millions)	\$6,321	\$6,300 - \$6,700	\$8,200 - \$8,600
Per share – basic ⁽¹⁾ (C\$)	\$5.81	\$5.75 - \$6.10	\$7.50 - \$7.85
Capital expenditures ⁽²⁾ (C\$ millions)	\$5,506	\$6,110	\$7,215
Dividend (C\$/share)	\$0.30	\$0.36	
Common shares (thousands)	1,090,848		
Production (annual average, before royalties)			
Oil (Mbb/d)	425	385 - 393	464 - 504
Natural gas (MMcf/d)	1,243	1,256 - 1,263	1,265 - 1,334
BOE (MBOE/d)	632	594 - 604	675 - 726
Company Gross Reserves of crude oil and natural gas (as at December 31, 2010)			
Proved crude oil and NGLs (MMbbl)	3,795		
Proved natural gas (Bcf)	4,262		
Proved BOE (MMBOE)	4,505		
Proved and probable BOE (MMBOE)	6,903		

⁽¹⁾Based upon the following average strip pricing as at October 2011, including the impact of hedging.

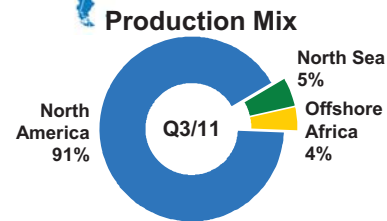
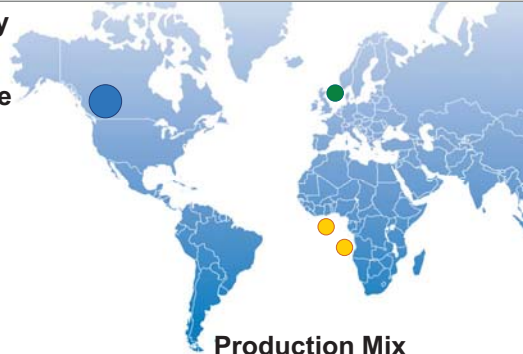
	<u>2010</u>	<u>2011F</u>	<u>2012B</u>
Oil WTI (US\$/bbl)	\$79.55	\$93.28	\$88.12
Natural gas NYMEX (US\$/MMbtu)	\$4.42	\$4.11	\$4.05
Natural gas AECO (C\$/GJ)	\$3.91	\$3.50	\$3.45
Heavy oil diff (US\$/bbl)	\$14.26	\$17.06	\$13.22
Exchange rate (C\$ = XUS\$)	\$0.97	\$1.01	\$0.99

⁽²⁾Including acquisitions.

Who is Canadian Natural?



- Canadian based E&P company with international exposure
- ~US\$50 billion enterprise value
- 594-604 MBOE/d – 2011F
 - ~65% crude oil weighted
- 675-726 MBOE/d – 2012B
 - ~70% crude oil weighted
- Returns focused
- Major oil sands player
 - Major thermal in situ producer with several projects in inventory
 - Major mining project with 110,000 bbl/d of SCO production capacity



The Premium Value,
Defined Growth Independent



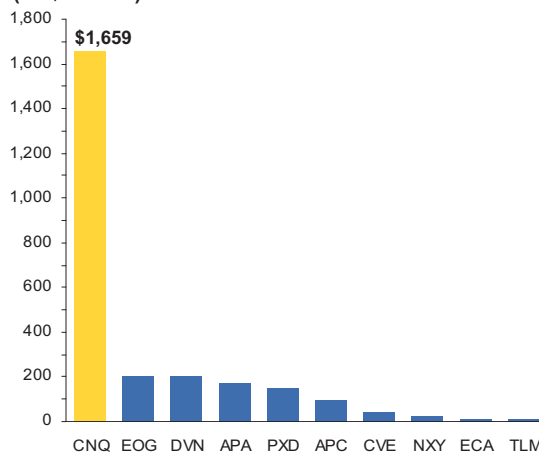
Slide 1

Committed Management



- Substantial management and director wealth at stake
 - Strong motivation for management to perform
 - Delivers clear alignment with shareholder interests

Management / Directors Stock Ownership (US\$ Million)



Note: Based on share ownership data excluding options and priced at October 31, 2011. Source: SEDI and Thomson Financial.

Consistent History of Value Creation



Slide 2

Canadian Natural Building Continued Sustainable Value



- Drive our effective capital allocation model to:
 - Maximize ROC
 - Generate significant Free Cash Flow
 - Continue transition to a more sustainable, long term asset base
 - Maintain strong balance sheet
 - Increase dividends

Building Continued Sustainable Value

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Slide 3

Canadian Natural Delivering Sustainable Value



- Strong, balanced assets / experience / excellence with significant upside
 - Light crude oil and NGL
 - Offshore, Water Flood, Enhanced oil recovery, Horizontal multi frac
 - Canada → 17% growth in 2012
 - International → Esplor, Baobab, South Africa
 - Heavy crude oil
 - Target to expand to 480,000 bbl/d Thermal in situ capacity
 - Primary Heavy oil → 16% growth in 2012
 - Pelican Lake Polymer flood
 - Synthetic light oil – Mining / extraction / upgrading
 - Horizon targeted to expand to 500,000 bbl/d capacity
 - Natural Gas
 - Shallow, deep, foothills, unconventional – to unlock with gas price
- Dominate land base / infrastructure
 - Most effective / efficient producer

Delivering Sustainable Value

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Slide 4

Canadian Natural Delivering the CNQ Outcomes



- Significant Free Cash Flow → \$1.1 billion - \$1.5 billion in 2012
- Production / Value Growth → 10% Q4-12 over Q4-11
- 3.8 billion (53%) of 2012 capital program for future growth
- Transition to more sustainable assets, maintain existing base assets
- Increasing dividends
- Strong balance sheet and financial discipline
- Poised for additional acquisition opportunities

Delivering the CNQ Outcomes

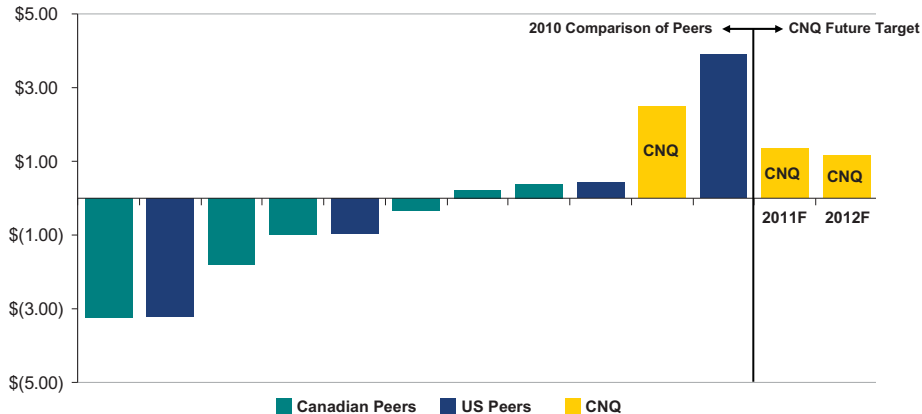
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Free Cash Flow Generation



Targeted free cash flow/Share (C\$)



Dependent upon capital allocation, economic and regulatory conditions, and global economic factors. Source – Corporate reports and internal forecasting. Free cash flow defined as cash flow from operating activities less capital expenditures, excluding acquisitions and divestitures and changes in working capital and other extraordinary items. 2011F – 2012F based on strip pricing at October, 2011. CNQ excludes acquisitions and divestitures and Redwater Upgrading and Refining. Peers include APA, APC, CVE, DVN, ECA, MEG, NXY, SU, TLM, XOM.

Superior Free Cash Flow Generation,
Even Through Future Growth Years

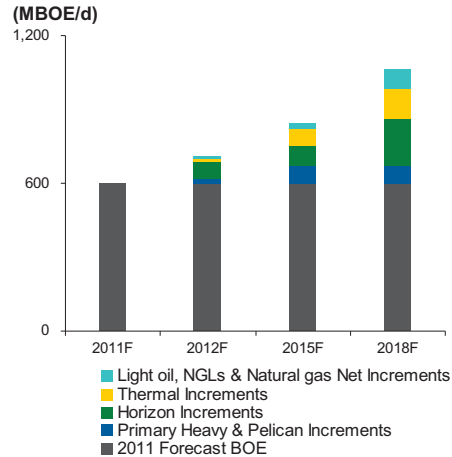
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Target Growth In Near / Mid / Long Term



- **CNQ can organically grow production**
 - **2012 targeted growth driven by**
 - Horizon recovery
 - Primary Heavy
 - Thermal in situ
 - North America Light and NGL
 - **2012 – 2015 targeted growth driven by**
 - Primary Heavy
 - Pelican Lake
 - Kirby Thermal in situ
 - **2015 – 2018 targeted growth driven by**
 - Horizon expansions to 250 Mbb/d
 - Thermal in situ growth plan
- **Natural gas provides further growth optionality should prices recover**
- **Deliver significant free cash flow facilitating:**
 - **Acquisitions**
 - **Dividend increases**
 - **Balance Sheet strength**



Note: 2011F based on Corporate Guidance as at November 2011. 2012F - 2018F based on company internal forecast as at October, 2011. Dependent upon economic and regulatory conditions, global economic factors, project sanction and capital allocation.

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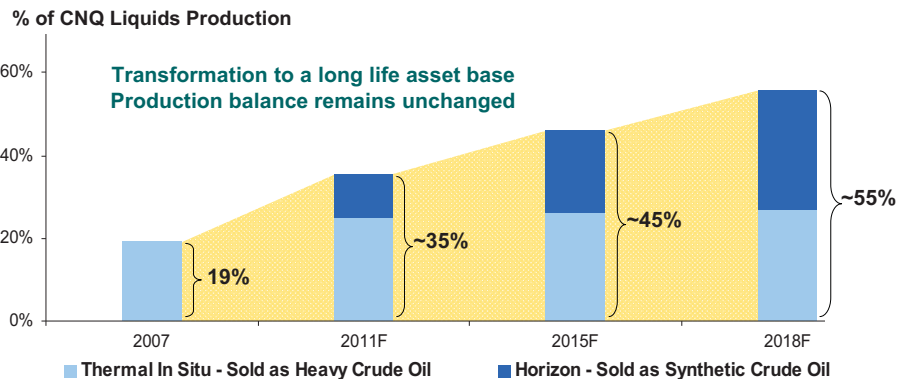
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Targeted Growth In Liquids Production



Percent of CNQ Liquids Production

Liquids Mix	2007	2011F	2015F	2018F
Light Crude Oil/SCO	43%	40%	40%	50%
Heavy/Thermal/Pelican	57%	60%	60%	50%



Note: 2011F based on corporate guidance as at November 2011 disclosure. 2012F - 2020F based on company internal forecast as at October, 2011. Dependent upon economic and regulatory conditions, global economic factors, project sanction and capital allocation.

Production Growth to Come From Long-Term Sustainable Growth Assets

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Canadian Natural 2012 Budget



Targeted Production	2011F*	2012B*	% Change
Crude oil (Mbb/d)			
Canada Light and NGLs	56-57	64-68	17%
Pelican Lake	38-39	38-40	3%
Primary Heavy	101-103	114-122	16%
Thermal in situ	97-98	104-110	10%
International	52-54	39-49	(17)%
Horizon	41-42	105-115	165%
Total Crude Oil	385-393	464-504	24%
Natural gas (MMcf/d)	1,256-1,263	1,265-1,334	3%
MBOE/D	594-604	675-726	17%

*Rounded to the nearest 1,000 bbl/d
Note: Numbers may not add due to rounding. Percent change represents midpoint.

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Canadian Natural 2012 Budget



Capital (\$ Million)	2011F	2012B	% Change
Natural gas	\$740	\$815	10%
Crude oil			
Pelican Lake	410	470	15%
Primary Heavy	942	990	5%
Thermal in situ	1,250	1,420	14%
Light			
Canada	503	550	9%
North Sea	235	350	49%
Offshore West Africa	60	130	117%
Total crude oil	\$3,400	\$3,910	15%
Horizon			
Sustaining Capital	175	225	29%
Turnarounds, Reclamation and Other	165	180	9%
Capital Projects	540	1,950	261%
Total Horizon	\$880	\$2,355	168%
Acquisitions and Midstream	1,090	135	(88)%
Total	\$6,110	\$7,215	18%

Note: Excludes Primary Upgrader fire recovery costs in 2011 of \$390 - \$410 Million. The Company believes that it has adequate insurance coverage to mitigate all significant property damage related losses.

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Natural Gas Overall Strategy



- Natural Gas prices will be low for 5 to 10 years
- Leverage our dominant infrastructure and land base
 - Maintain our position as most efficient producer
 - Generates Free Cash Flow
- Continue to strengthen our unconventional / tight gas asset base
- Continue to delineate new / emerging plays / technology
- Focus on liquids rich development
- Opportunistic acquisitions

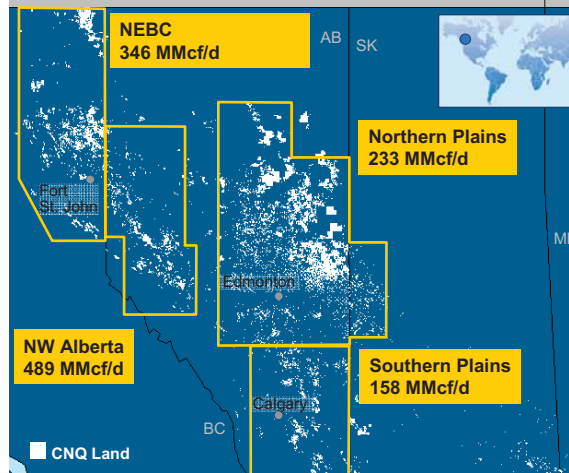
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North America Natural Gas Core Area Summary



- Q3/11 production
 - 1,226 MMcf/d natural gas
 - ~19 Mbbbl/d associated liquids
- Large proved and unproved land position
- Reserve life
 - >13 year
- 2P reserves
 - 6.02 Tcfe*
- High working interest
 - 84%



*Company gross proved plus probable reserves at December 31, 2010.

Note: Reflects Q3/11 actual production, before royalties. Does not include NGLs production.

Canada's #2 Producer of Natural Gas

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North America Natural Gas 2012 Plan



	2011F	2012B	% Change
Production (MMcf/d)	1,230-1,235	1,245-1,305	3%
Drilling (net wells)	80	71	(11)%
Capital (\$ Million)			
Turnaround / Maintenance	129	135	
Land / Seismic	71	77	
Drill, Complete, Tie-in	540	603	
Total	\$740	\$815	10%

- Entry / Exit 3% decline

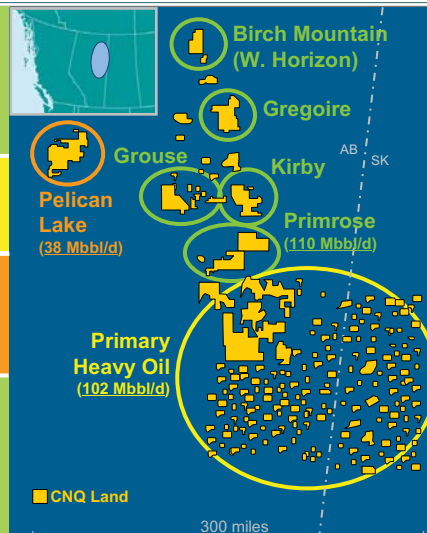
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Heavy Oil Assets



- Thermal in situ development
 - Q3/11 production 110,000 bbl/d
 - Massive resource potential
 - Staged value growth
 - ~360,000 bbl/d of additional production capacity
- Reliable primary production
 - Q3/11 production 102,000 bbl/d
 - Dominant land base
 - Target record 808 wells in 2011
- Pelican Lake EOR development
 - Q3/11 production 38,000 bbl/d
 - 4.1 billion barrels OOIP⁽²⁾
 - Largest polymer flood in North America
 - 3.5x increase in expected recovery
- Horizon mining operation
 - Company gross proved plus probable SCO reserves – 2.9 billion barrels⁽¹⁾
 - Best estimate contingent resources other than reserves – 3.0 billion barrels of bitumen⁽¹⁾
 - ~500,000 bbl/d total capability



(1) Subject volumes are gross lease at December 31, 2010.
 (2) Original Oil in Place.

Note: Reflects Q3/11 actual working interest production.

Technology Option

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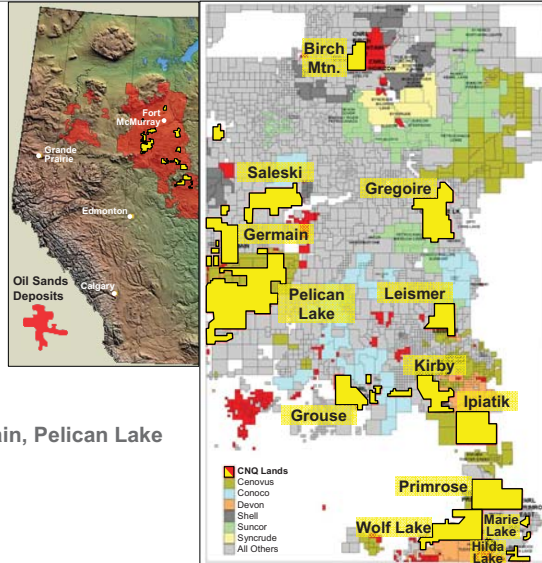
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Thermal In Situ Oil Sands



• Land Holdings

- **McMurray**
 - Birch Mountain
 - Gregoire
 - Kirby
 - Grouse
 - Leismer
 - Ipiatik
- **Clearwater**
 - Primrose, Wolf Lake
 - Hilda Lake, Marie Lake
- **Wabiskaw**
 - Kirby, Ipiatik
- **Grand Rapids**
 - Primrose, Wolf Lake, Germain, Pelican Lake
- **Carbonates**
 - Saleski

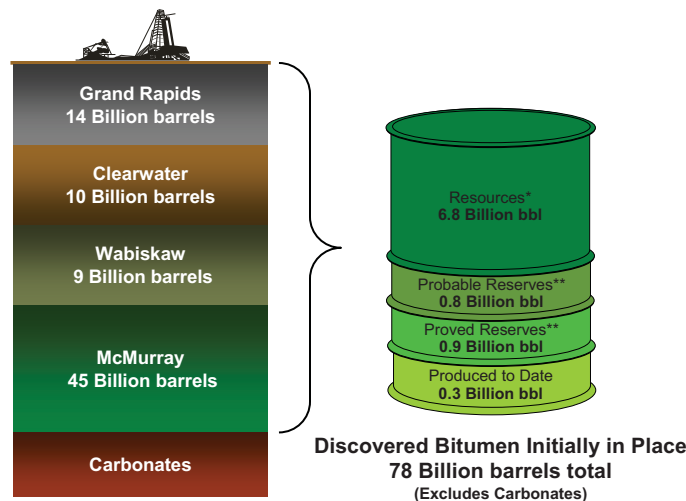


Huge Land Base & Great Assets = Choices



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Thermal In Situ Oil Sands Potential



*Best estimate contingent resources other than reserves.
 ** Company gross proved and probable reserves at December 31, 2010.

30% Increase in Reserves and
 45% Increase in Contingent Resources from 2010



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Thermal In Situ Oil Sands Growth Plan



Phase	Reservoir	Oil Facility Capacity Target (bbl/d)	Target Steam-In Timing (year)
Primrose South/North – CSS	Clearwater	80,000	On Stream
Primrose East – CSS	Clearwater	40,000	On Stream
Kirby South Phase 1 – SAGD	McMurray	45,000	2013
Kirby North Phase 1 – SAGD	McMurray	40,000	2016
Grouse – SAGD	McMurray	40,000	2017
Kirby North Phase 2 – SAGD	Wabiskaw	40,000	2019
Kirby South Phase 2 – SAGD	McMurray	15,000	2020
Birch Mountain Phase 1 – SAGD	McMurray	60,000	2022
Gregoire Phase 1 – SAGD	McMurray	60,000	2024
Birch Mountain Phase 2 – SAGD	McMurray	60,000	2026

- 480,000 bbl/d of oil facility capacity in the defined growth plan
- 40,000-60,000 bbl/d addition every 2-3 years
- 100% working interest and operatorship

Production Growth for Decades

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Thermal In Situ Oil Sands 2012 Plan



	2011F	2012B	% Change
Production (Mbbbl/d)	97-98	104-110	10%
Drilling (net wells)			
Producers	140	135	
Kirby SAGD pairs	13	24	
Strats	315	408	
Service / Observations wells	67	55	
Total	548	646	18%
Capital (\$ Million)	\$1,250	\$1,420	14%

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Thermal In Situ Oil Sands Primrose Strategy



- Significant pad adds left to fully develop
- Optimize steaming techniques
- Potential future facility debottleneck / expansion
- Wolf Lake
 - McMurray / Grand Rapids SAGD development
- CSS follow up process
 - In-fill drilling, steam flood, solvents
- Leverage technology
 - Industry learning curve still steep

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Thermal In Situ Oil Sands Primrose 2012 Plan



	Pads	Production* (bbl/d)	Cost (\$/bbl/d)
Primrose East	5	20,000	\$12,900
Primrose South	3	15,000	\$13,000

*Cyclic production year average.

In situ operating costs Q2/10 Vs. Q2/11
(Kirby South Phase One – Targeted Operating Costs)



Source: Peter's & Co.
Note: Amounts are gross (before royalties). Peers projects include: MEG Christina Lake, CVE Foster Creek & Christina Lake, HSE Thermal including Tucker, Pikes, Peak and Bolney Celtic, SU Thermal in situ including Firebag and MacKay River, CLL Pod One/Algar, NXY Long Lake.

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Thermal In Situ Oil Sands Kirby 2012 Plan



- Kirby South Phase 1 – 40,000 bbl/d → 45,000 bbl/d facility capacity
- Costs on budget, on schedule
 - At Q3/11 the project is 29% complete
- Drill 24 well pairs
- Progress facility construction
- Steam in late 2013

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Thermal In Situ Oil Sands Projects Summary



- Primrose field development
- Kirby hub
 - Kirby South Phase 1 and Phase 2
 - Kirby North Phase 1 and Phase 2
 - Kirby North Phase 1 regulatory application submitted Q4-2011
- Grouse
 - Strat well delineation
 - Regulatory application submission Q1-2012
- Birch Mountain East
 - Strat well delineation
 - Regulatory application 2012
- Gregoire
 - Work existing data
- Germain
 - Initiate strat program

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Primary Heavy Oil

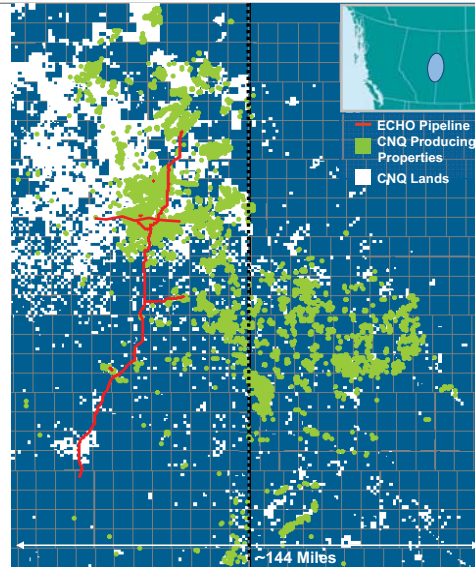


Dominant player

- Q3/11 production
 - 102 Mbbl/d primary heavy crude oil
- Largest primary producer in region
- Large land base
 - Land largely held – long tenure
- Production growth
 - 2011 → 11%
 - 2012 → 16%
- Reserve life
 - >6 years
- 2P reserves
 - 217 Million barrels*

Effective cost control

- Large concentrated drilling programs
- 5 major processing facilities
- ECHO sales pipeline



*Company gross proved plus probable reserves at December 31, 2010.

Dominate Land Base and Infrastructure



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Primary Heavy Oil 2012 Plan



	2011F	2012B	% Growth
Production (Mbbl/d)	101-103	114-122	16%
Drilling (net wells)	808	808	
Recompletion (net wells)	575	416	
Capital (\$ Million)	\$942	\$990	5%

- Target production growth of ~8% per year for the next three years

Strong Cash on Cash Returns

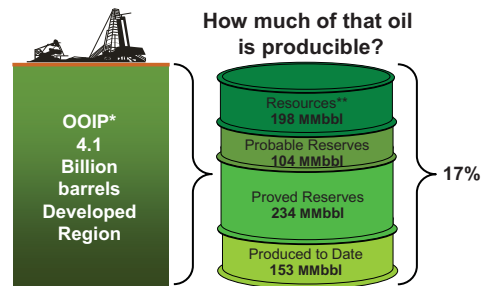


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Pelican Lake Oil Pool



- World class oil pool
- Polymer flood successful both technically and economically
- Technology enhancements will continue to improve oil recovery
- 338 Million barrels of 2P reserves**
 - 198 Million barrels contingent resources***



*Discovered heavy crude oil initially in place.
 **Company gross proved plus probable reserves at December 31, 2010.
 ***Best estimate contingent resources other than reserves.

Massive Resource to Exploit



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Pelican Lake Polymer Flood Strategy



- 2011 a year of transition
 - Slower response in South
 - Many learnings for optimization
 - Oil recoveries trending higher
 - Deferred Q4 drilling program
- 2012 focus on optimization
 - New battery construction 25,000 bbl/d
 - Development drilling 63 injectors, 13 producers
 - Optimize injection
 - Monitor polymer response
 - Potential ramp up of development mid 2012



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Pelican Lake 2012 Plan



	2011F	2012B	% Growth
Production (Mbbbl/d)	38-39	38-40	3%
Drilling (net wells)			
Producers	13	13	
Injectors	-	63	
Capital (\$ Million)	\$410	\$470	15%

- Significant pre-investment for future polymer volumes
- Polymer response in 18 - 24 months from injection

Note: Rounded to the nearest 1,000 bbl/d

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Canadian Light Oil and NGL Strategy



- Large land base and assets in Canada
- Optimize existing waterfloods
- Leverage technology
 - EOR
 - CO₂, ASP
 - Horizontal Multi Frac's
- New pool developments
 - 9 new plays
- Deliver 17% production growth

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Canadian Light Oil and NGL 2012 Plan



	2011F	2012B	% Change
Production* (Mbb/d)	56-57	64-68	17%
Drilling (net wells)	141	134	(5)%
Capital (\$ Million)			
Drilling, completions and tie-ins	346	400	
Technology, EOR	157	150	
Total	\$503	\$550	9%

- Target strong production growth of 17% in 2012 and 4%-9% thereafter

* Includes NGLs.

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International Overall Strategy



- Maintain our existing operations
- Convert undeveloped potential to production
 - As platform slots become available
 - North Sea
 - Ninian
 - Tiffany
 - Offshore West Africa
 - Espoir
 - Baobab
- Infill drilling program Espoir
- Progress “Big E” exploration in South Africa
- Monitor acquisition opportunities
- Generate Free Cash Flow
- Prepare for Murchison abandonment

Leverage Expertise

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International 2012 Plan



North Sea	2011F	2012B	% Change
Crude oil production (Mbb/d)	30-31	24-29	(13)%
Capital (\$ Million)	\$235	\$350	49%

- Ninian
 - Workovers
 - Water injection wells
- Lyell
 - Subsea pump installation
- Tiffany
 - Production well
- Turnaround on 4 platforms

Offshore Africa	2011F	2012B	% Change
Crude oil production (Mbb/d)	22-23	15-20	(22)%
Capital (\$ Million)	\$60	\$130	117%

- Espoir infill drilling program
- Begin partner discussions South Africa

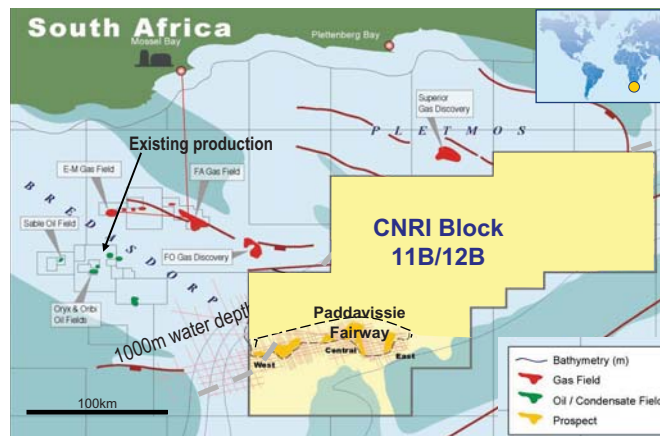
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International South Africa



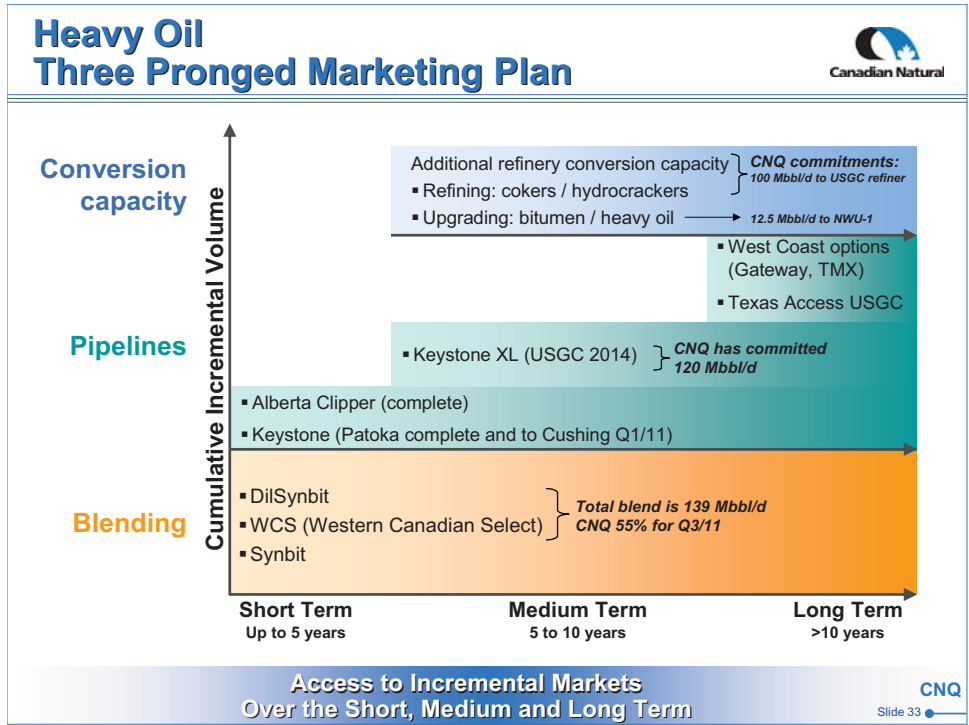
- Paddavissie Fairway
 - Basin floor fans up to 150m thick
 - 2D seismic
 - AVO and DHI anomalies
 - Up slope production
 - Oryx and Oribi
 - Targeted drill Q4/13 – Q1/14



Best Estimate Prospective Resources of
3 Billion Barrels OIIP

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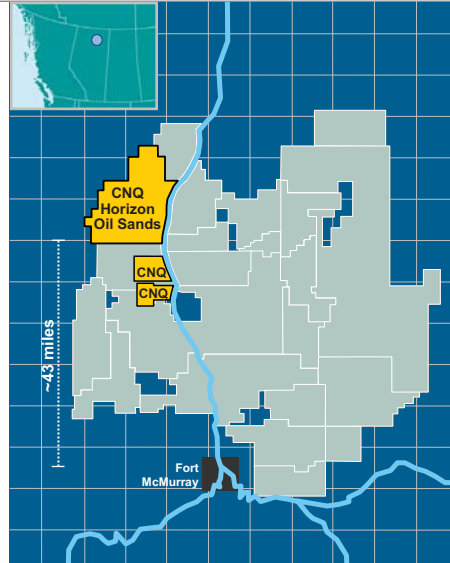


- ### Redwater Upgrading/Refining Joint Venture
-
- Fits Canadian Natural's strategy to support additional heavy oil conversion capacity
 - North West Upgrading and Canadian Natural formed a 50/50 partnership (NWRP) to construct and operate a new bitumen refinery near Redwater, AB
 - Proposed bitumen refinery would convert 50 Mbb/d of raw bitumen into useable products and provide an integrated CO₂ capture and management solution
 - The technology selected and the process configuration make this plant the most advanced of its kind in the world
 - Canadian Natural has committed 12.5 Mbb/d to phase 1 of the project
 - Alberta Government has committed 37.5 Mbb/d under its Bitumen Royalty in Kind (BRIK) initiative
 - Target project sanction in 2012
- Strong Strategic Fit**
- CNQ** Slide 34

Horizon Oil Sands



- **Mining resources**
 - 14.3 billion barrels BIIP*
 - Company gross proved plus probable SCO reserves – 2.9 billion barrels
 - Best estimate contingent resources other than reserves as at December 31, 2010 – 3.0 billion barrels of bitumen
 - Phased development (SCO)
 - 110 Mbb/d capacity (Phase 1)
 - Target expansion up to 250,000 bbl/d
 - Target future expansions to ~500,000 bbl/d
- **Significant free cash flow generation for decades**



*Discovered Bitumen Initially in Place and excludes BIIP attributable to Birch Mountain East SAGD property.
Note: Volumes are gross lease.

World Class Opportunity



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Horizon Operations



- Rebuild was on cost / schedule
- Opportune maintenance → Turnaround 2013
- Operations discipline in place
- Solid startup after rebuild
 - August → ~44,600 bbl/d
 - September → ~108,200 bbl/d
 - October → ~105,600 bbl/d
- OPP3 in commissioning
- Expect a solid reliable run in 2012



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Horizon Oil Sands 2012 Plan



	2011F	2012B	% Change
Production (Mbb/d)	41-42	105-115	165%
Sustaining Capital (\$ Million)	\$175	\$225	
Turnarounds, Reclamation & Other (\$ Million)	\$165	\$180	
Project capital (\$ Million)			
Reliability - Tranche 2	\$275	\$165	
Directive 74 and Technology	45	215	
Phase 2A	125	345	
Phase 2B	35	720	
Phase 3	45	475	
Phase 4	15	30	
Total	\$540	\$1,950	261%

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Horizon Oil Sands Expansion Update



- **Reliability**
 - Projects on track, costs running below budget
 - OPP3 in commissioning
- **Directive 74**
 - On track
 - Pilot studies, show potential cost savings
- **Phase 2A**
 - Coker expansion 6 months schedule slip
 - Coker fire rebuild impact
- **Phase 2B**
 - Lump sum contracts awarded
 - Gas / Oil Hydrotreater
 - Froth Treatment
 - Bids out for major components
- **Phase 3**
 - Engineering on track
 - Extraction Trains 3&4 underway and on track

Future Expansion
110 Mbb/d Up to 250 Mbb/d

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2012 Budget Summary



Cash Flow	\$8.2-8.6 Billion	
2012 Free Cash Flow	\$1.1-1.5 Billion	
Capital	\$7.2 Billion	
Production Growth Q4/Q4	10%	
Capital for Future Production	\$3.8 Billion	53%
Capital Flexibility	\$3 Billion	42%
	2011F	2012B
Production (MBOE/d)	594-604	675-726
Year End Debt	\$8.7 Billion	\$7.4-7.8 Billion
Year End Debt/Book*	27.6%	22.4%

2011 Strip pricing: WTI \$93.28, AECO \$3.50/GJ, heavy oil diff/US\$/bbl of \$17.06, CS/US\$ \$1.01.
 2012 Strip pricing: WTI \$88.12, AECO \$3.45/GJ, heavy oil diff/US\$/bbl of \$13.22, CS/US\$ \$0.99.
 *Midpoint of Guidance.
 Note: Free Cash Flow equals Cash Flow less Capital excluding acquisitions.

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Canadian Natural Free Cash Flow Uses



- 1) Opportunistic acquisitions
- 2) Dividends
 - Eleven consecutive years of dividend increases → 22% CAGR
 - Must be sustainable
- 3) Pay down debt
- 4) Share buybacks
 - Target to eliminate dilution
 - 3.071 million at an average price of \$33.68/share during 2011

Prudent Use of Free Cash Flow

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Canadian Natural Advantage



- **Management, business philosophy, practice**
- **Strong, balanced assets**
 - **Vast opportunities**
- **Balanced, proven, effective strategy**
- **Control over capital allocation**
- **Nimble**
 - **Capture opportunities**
 - **Willingness to make tough decisions**
- **Canadian Natural culture**
 - **Execution focused**
 - **Efficient operations**
 - **Cost control**
- **Significant free cash flow**

The Premium Value, Defined Growth Independent

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Forward Looking Statements



Certain statements in this document or documents incorporated herein by reference constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements can be identified by the words "believe", "anticipate", "expect", "plan", "estimate", "target", "continue", "could", "intend", "may", "potential", "predict", "should", "will", "objective", "project", "forecast", "goal", "guidance", "outlook", "effort", "seeks", "schedule" or expressions of a similar nature suggesting future outcome or statements regarding an outlook. Disclosure related to expected future commodity pricing, production volumes, royalties, operating costs, capital expenditures, and other guidance provided in the 2011 outlook section and throughout this document and the documents incorporated herein by reference constitute forward-looking statements. Disclosure of plans relating to expected results of existing and future developments including but not limited to Horizon oil sand future expansion, ability to recover insurance proceeds, Primrose, Pelican Lake, Olowi Field (Offshore Gabon), the Kirby Thermal Oil Sands Project, the Keystone Pipeline US Gulf Coast expansion, and the construction and future operations of the North West Redwater bitumen refinery also constitute forward-looking statements. This forward-looking information is based on annual budgets and multi-year forecasts and is reviewed and revised throughout the year as necessary in the context of targeted financial ratios, project returns, product pricing expectations and balance in project risk and time horizons. These statements are not guarantees of future performance and are subject to certain risks. The reader should not place undue reliance on these forward looking statements as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur.

In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment based on certain estimates and assumptions that the reserves described can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of proved and proved plus probable crude oil and natural gas reserves and in projecting future rates of production and the timing of development expenditures. The total amount or timing of actual future production may vary significantly from reserve and production estimates.

The forward-looking statements are based on current expectations, estimates and projections about the Company and the industry in which the Company operates, which speak only as of the date such statements were made or as of the date of the report or document in which they are contained and are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others: general economic and business conditions which will, among other things, impact demand for and market prices of the Company's products; volatility of and assumptions regarding crude oil and natural gas prices; fluctuations in currency and interest rates; assumptions on which the Company's current guidance is based; economic conditions in the countries and regions in which the Company conducts business; political uncertainty, including actions of or against terrorists, insurgent groups or other conflict including conflict between states; industry capacity; ability of the Company to implement its business strategy, including exploration and development activities; impact of competition; the Company's defense of lawsuits; availability and cost of seismic, drilling and other equipment; ability of the Company and its subsidiaries to complete its capital programs; the Company's and its subsidiaries' ability to secure adequate transportation for its products; unexpected difficulties in mining, extracting or upgrading the Company's bitumen products; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; ability of the Company to attract the necessary labour required to build its thermal and oil sands mining projects; operating hazards and other difficulties inherent in the exploration for and production and sale of crude oil and natural gas and in mining, extracting or upgrading the Company's bitumen products; availability and cost of financing; the Company's and its subsidiaries' success of exploration and development activities and their ability to replace and expand crude oil and natural gas reserves; timing and success of integrating the business and operations of acquired companies; production levels; imprecision of reserve estimates and estimates of recoverable quantities of crude oil, bitumen, natural gas and natural gas liquids ("NGLs") not currently classified as proved; actions by governmental authorities, government regulations and the expenditures required to comply with them (especially safety and environmental laws and regulations and the impact of climate change initiatives on capital and operating costs); asset retirement obligations; the adequacy of the Company's provision for taxes; and other circumstances affecting revenues and expenses. The Company's operations have been, and in the future may be affected by political developments and by federal, provincial and local laws and regulations such as restrictions on production, changes in taxes, royalties and other amounts payable to governments or governmental agencies, price or gathering rate controls and environmental protection regulations. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon its assessment of the future considering all information then available.

Readers are cautioned that the foregoing list of important factors is not exhaustive. Unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements. Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to it on the date such forward-looking statements are made, no assurances can be given as to future results, levels of activity and achievements. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Except as required by law, the Company assumes no obligation to update forward-looking statements should circumstances or Management's estimates or opinions change.

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Reporting Disclosures



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Volumes shown are Company share before royalties unless otherwise stated.

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Appendices



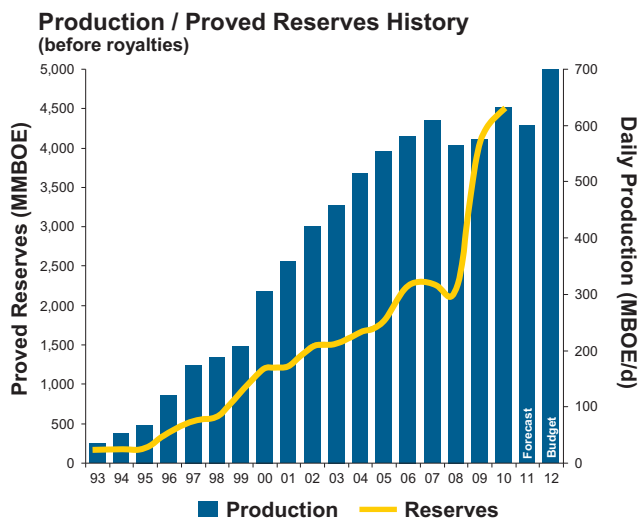
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Who is Canadian Natural?



- Consistent value creation through successful
 - Exploitation
 - Exploration
 - Opportunistic acquisitions
- 100% of reserves subject to independent evaluation



Note: 2009 and 2010 includes Horizon SCO reserves. Reserves prior to 2010 were calculated using constant prices and 2010 calculation based on escalating prices due to a change in disclosure requirements. 2011F and 2012B daily production based on midpoint of guidance.

The Premium Value,
Defined Growth Independent

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Natural Gas Outlook



- Shale gas production is real
- Shale gas reserves look real
- Shale gas full cycle returns at \$4.00 AECO not certain
 - Sweet spots – yes
 - Liquids rich – yes to maybe
 - Overall – too early to tell
- LNG supply threat still exists
- Anticipate North America natural gas market to be over supplied for 5-10 years
- Being the most efficient producer is paramount

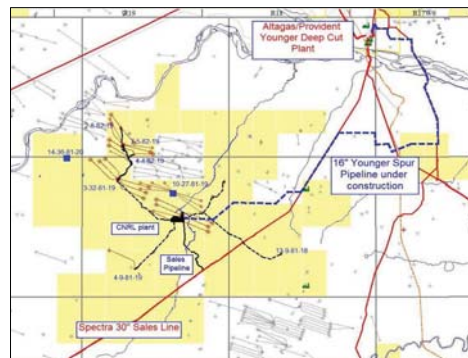
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Septimus Montney Play Strategic Development



- Large resource
 - 1.3 Tcfe contingent resource*
 - 0.3 Tcfe 2P reserves**
 - Liquids rich gas
- Project to date
 - Drilled 15 wells in 2010 and 9 wells in 2011
 - Avg D&C cost \$5.7 MM/well
 - Between 9-13 fracs per horizontal well
 - Constructed 50 MMcf/d refrig gas plant on time / budget – onstream Nov 2010
 - Producing ~60 MMcf/d and ~1,800 bbl/d liquids
 - Target to complete tie-in to Younger deep cut facility late 2011
- Project Plan in 2012
 - Target drilling of 17 net horizontal wells
 - Expand plant to 120mmcf/d – onstream late 2012
 - Target yield of 10,800 bbl/d of liquids once through the plant and deep cut facilities



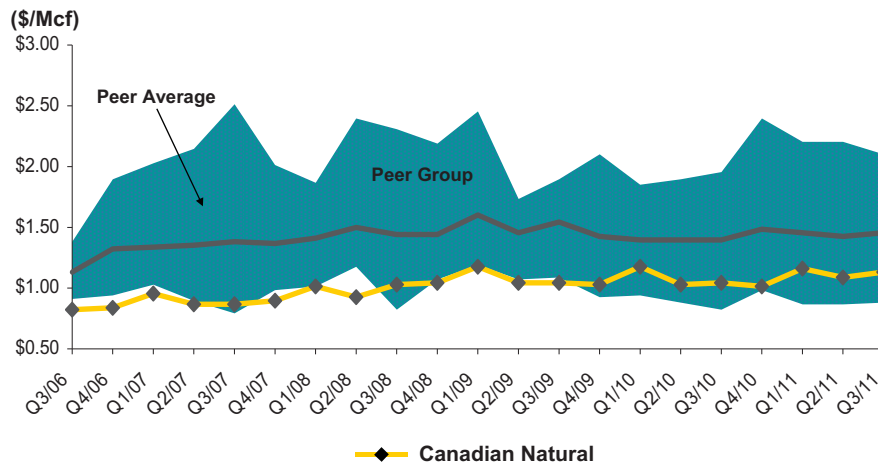
*Best estimate contingent resources other than reserves.
 **Company gross proved plus probable reserves.

Execution Delivered – Superior Results

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Natural Gas Operating Cost Peer Comparison



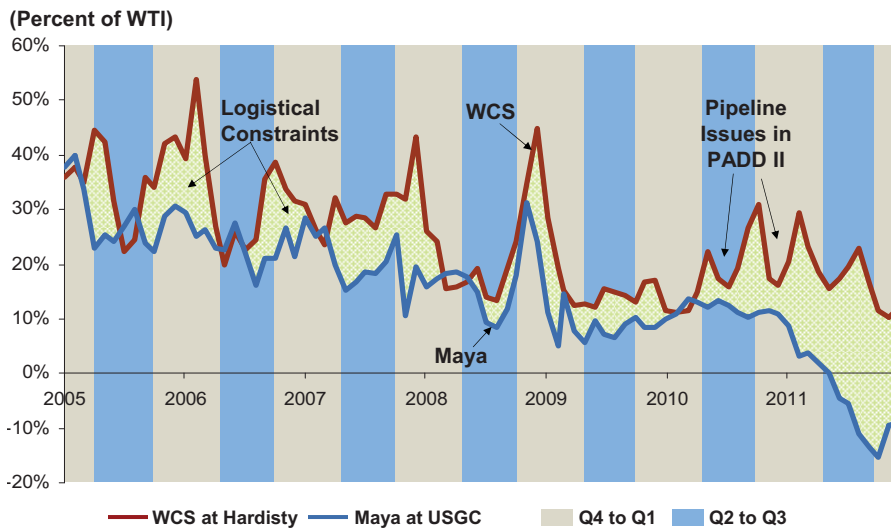
Note: Other Producers - NXY, HSE, TLM, CVE, ECA, ARC, PWT, PGF.UN.
Source: Corporate reports.

Efficient and Effective Operations



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Heavy Oil Differentials

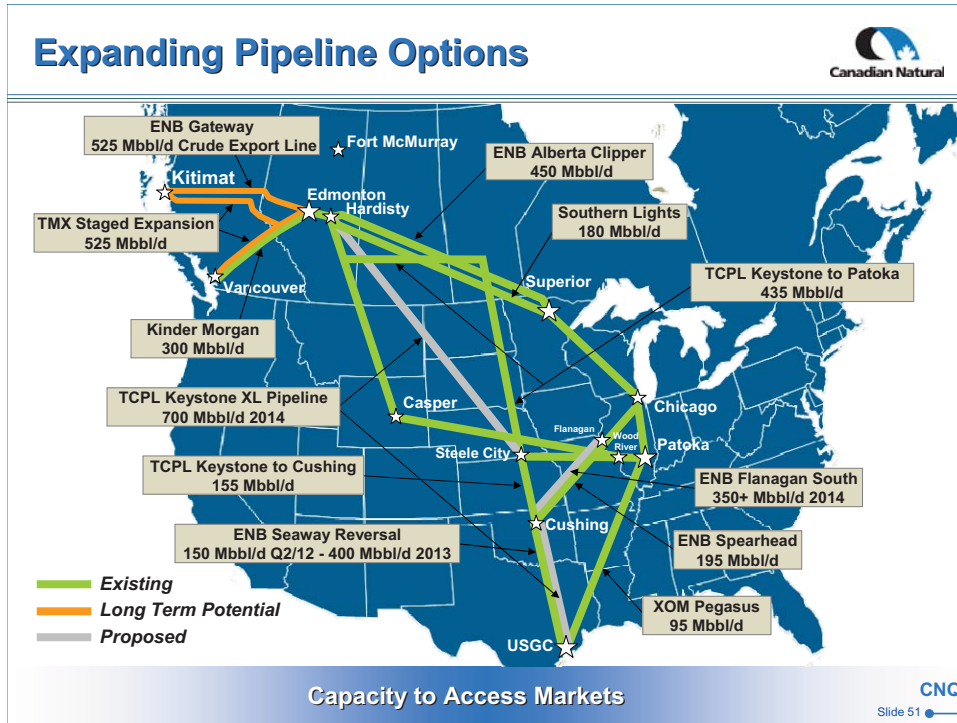


Source: Bloomberg, Platts.

Differential Very Sensitive to Logistical Constraints and Refining Margins



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Heavy Oil Keystone XL Pipeline

- **Transportation**
 - CNQ committed 120,000 bbl/d to the Keystone XL Pipeline to US Gulf Coast for 20 years
- **Mitigates logistical constraints**
 - Narrows heavy oil differential
- **Significantly reduces market risk for incremental production**
- **Alternative routing in the event of pipeline apportionment**
- **Supply**
 - CNQ committed 100,000 bbl/d to a major US Gulf Coast refiner for 20 years
 - Keystone XL received NEB approval March 2010; awaiting US Presidential Permit
- **Expandable to 1.5 MMbbl/d**

Pipeline Access to New Markets is Available

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The Primary Heavy Oil Advantage



- **Shallow formations, low risk, multi-zone**
 - Vertical, slant or horizontal wells from single or multi-well pads
 - 350-650m depth, 1-3 zones per well
 - Low geological risk
- **Flexible and repeatable**
 - Year round access
 - Consistent rig fleet over multiple years
 - Deep inventory of drilling locations
 - 8,500 locations in 10-year plan
 - Long land tenure
- **Operating cost control crucial**
 - Produced oil / water / sand trucked to owned and operated central batteries



Simple, Repeatable, Efficient

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Primary Heavy Oil Technology Applications



1. **Increase recovery from lower quality reservoirs**
 - Horizontal well applications, >100 wells in 2012
 - Oil over water
 - Less permeable pools
2. **Increase recovery from existing assets**
 - Secondary or tertiary recovery processes being tested/developed
 - Oil recovered to date ~786 Million barrels (gross operated production)
 - Current recovery factor ~10% of oil in place

Vast Discovered Resource to Exploit

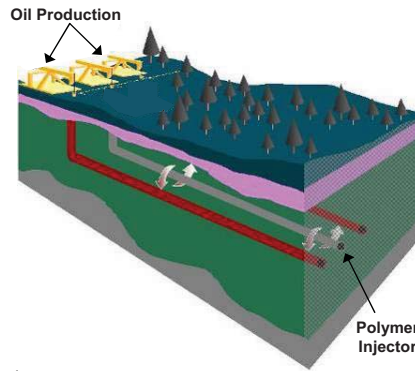
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Pelican Lake Polymer Flood



- **What is a polymer?**
 - It is a non-toxic polyacrylamide powder mixed with water
- **Why does it help recovery?**
 - It increases the viscosity of water and improves vertical and aerial sweep efficiencies by reducing fingering
- **What additional facilities are required?**
 - Water handling facilities
 - Polymer hydration skids
 - Water source wells
- **What is the incremental capital cost (over primary)?**
 - \$10.00-\$13.00/bbl
- **What is the incremental operating cost (over primary)?**
 - \$3.00-\$4.00/bbl

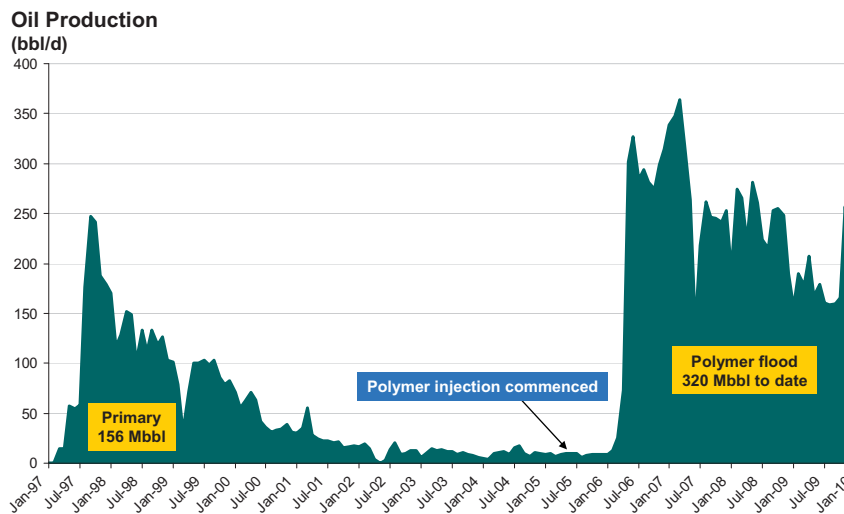


Industry Leading Technology

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Pelican Lake Polymer Flood Response Initial Pilot Well

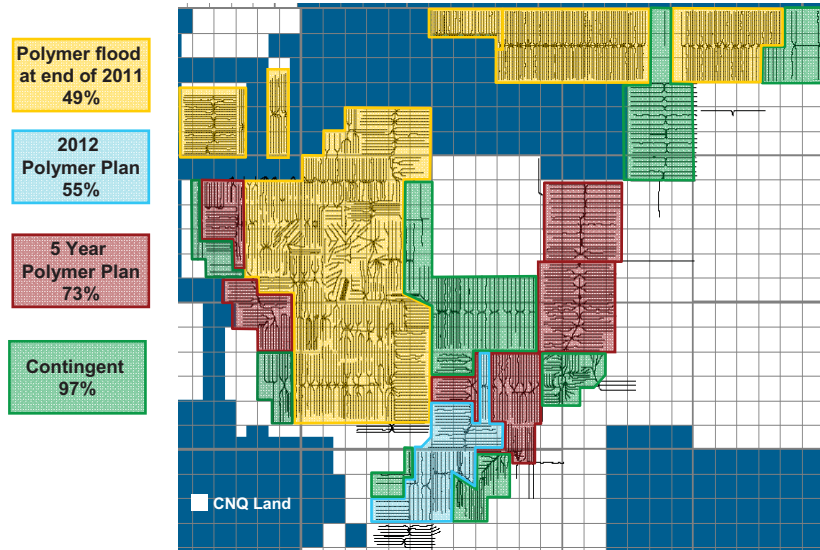


Strong Visible Response

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Pelican Lake Polymer Flood Expansion



Polymer Success Leads to Expansion

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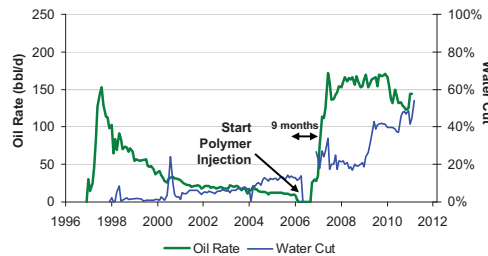
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Pelican Lake Polymer Flood Technology Development



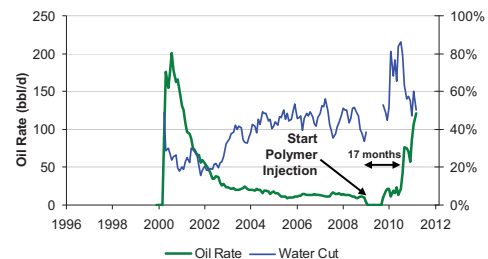
Horsetail

- First patterns flooded in 2006
- Low water production on primary, 0%-10%
- Response to polymer in 9 months
- Oil production peaked quickly and maintained at plateau



South Brintnell

- Polymer flood started in 2009
- Higher water production on primary, 20%-50%
- Response to polymer in 17 months
- Response more gradual but still increasing

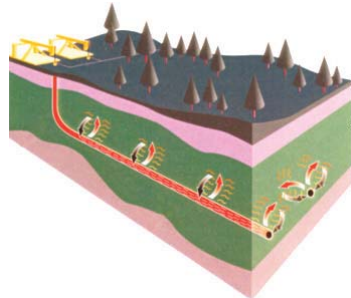


Positive Response to Polymer Injection

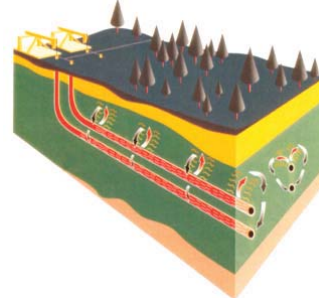
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Thermal In Situ Oil Sands Bitumen Recovery Schemes



- Cyclic Steam Stimulation (CSS)**
- Inject / produce from single well
 - High pressure
 - Wet steam (~1.25x dry steam SOR)
 - Only process for Clearwater



- Steam Assisted Gravity Drainage (SAGD)**
- Dedicated injector / producer (2 wells)
 - Low pressure continuous process
 - Requires dry steam
 - Only process for McMurray

Match Scheme to Reservoir

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Kirby – Project Area



- **Two main plants**
 - 140,000 bbl/d potential
 - 100% working interest and operatorship
 - Kirby South target facility capacities
 - Phase 1 - 45,000 bbl/d
 - Phase 2 - 15,000 bbl/d
 - Kirby North target facility capacities
 - Phase 1 - 40,000 bbl/d
 - Phase 2 - 40,000 bbl/d
- **Three play types**
 - McMurray, SAGD proven
 - Wabiskaw “D”, SAGD unproven
 - Wabiskaw “B”, CSS potential
- **Strong reserve base with significant upside**
 - 457 MMbbl 2P reserves*

*Company gross proved plus probable reserves.

Expanding Our Resource Base

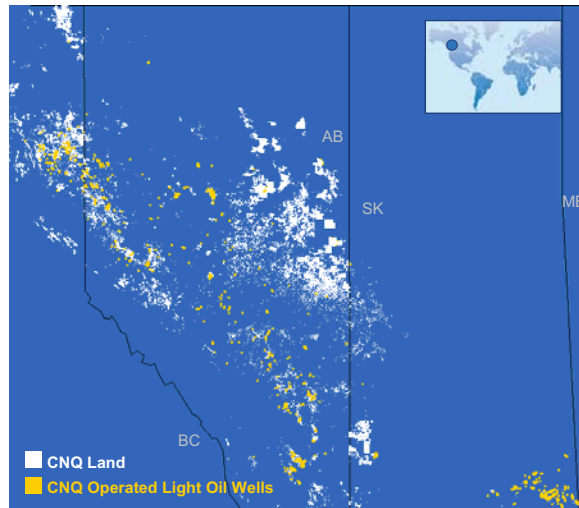
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North America Light Oil and NGL



- Q3/11 production
 - 55 Mbb/d
- 2012 production growth
 - 17%
- 100 operated waterfloods
- Enhanced Oil Recovery (EOR)
 - 1 active, 2 planned
- Forecast activity
 - 2011 drill 141 wells – record drilling program
 - 2012 drill 134 wells
- Reserve life
 - 12 years
- 2P reserves
 - Light oil 150 Million barrels*
 - NGLs 83 Million barrels*



*Company gross proved plus probable reserves.

Record Light Oil Drilling Program

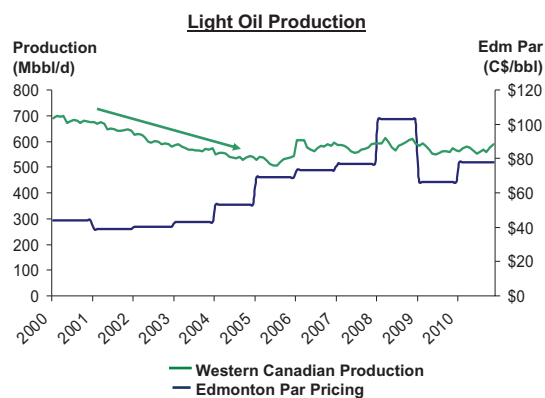
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North America Light Oil Strategy



- Maximize waterflood recovery
 - Optimize pressure maintenance and sweep efficiency
- EOR incremental recovery
 - Inject gas or chemicals to improve sweep efficiency
- Exploitation of existing pools
 - Horizontal drilling to increase recovery
- Exploration for new pools
 - Horizontal multi-frac completions to produce oil from unconventional reservoirs
 - Leverage CNQ land and infrastructure
- Effective and efficient field operations
 - Control capital and operating costs



High Prices / Better Science / New Technology

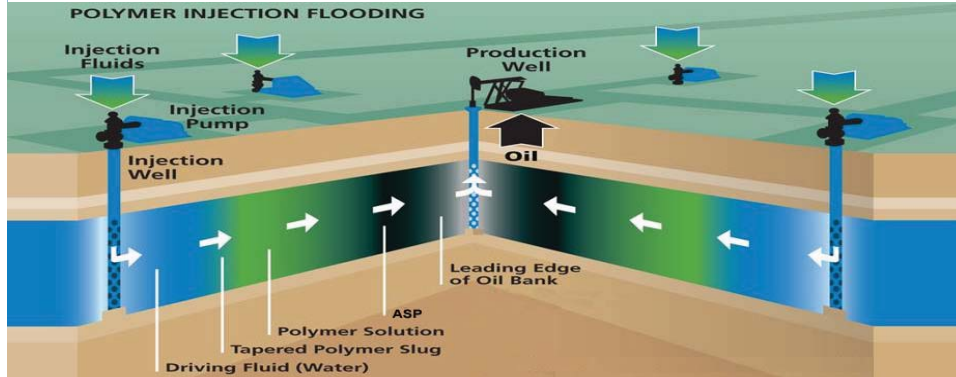
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Grand Forks ASP Flooding



- Alkaline Surfactant Polymer (ASP) flooding
 - Surfactants reduce the oil left behind by the waterflood at Grand Forks
 - Works like soap
 - Polymer improves the sweep of the injected fluid, reaching reservoir bypassed by the waterflood
 - Potential to expand - 60 pools currently waterflooded in area

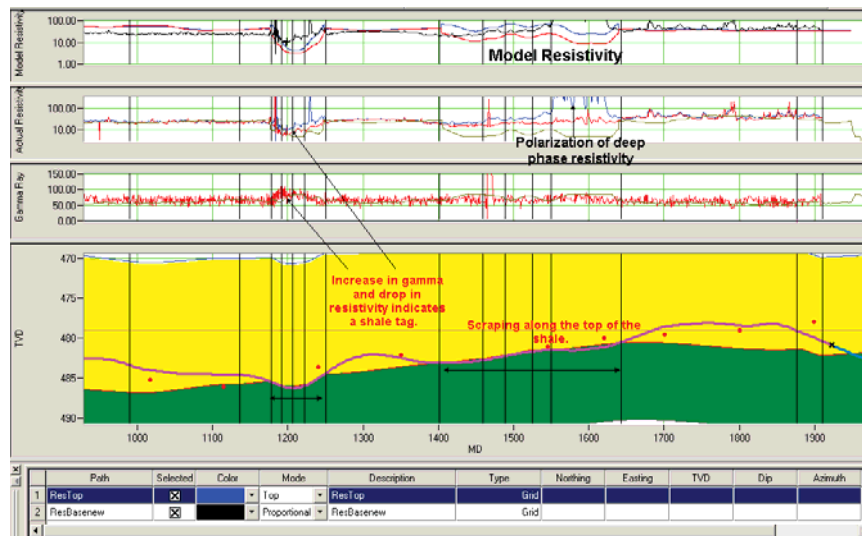


EOR for Shallow Reservoirs



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Technology Option Thermal Geo-steering Well Placement

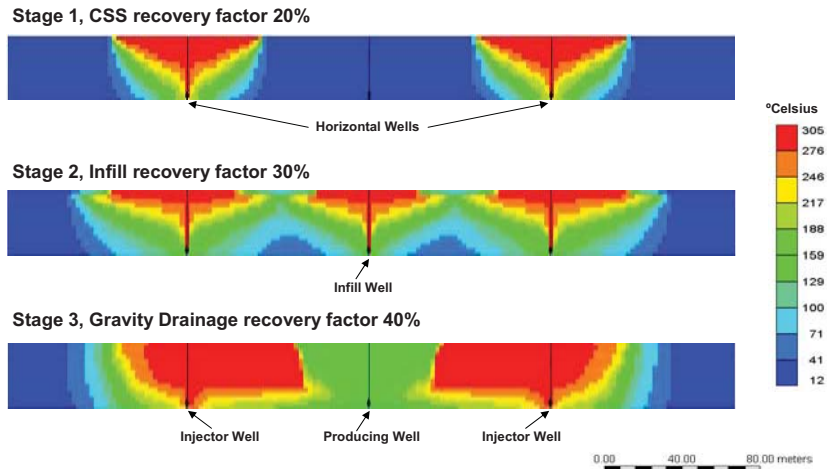


Capturing More of the Reservoir
With Technology Advancement



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Thermal Heavy Oil Technology Advancement

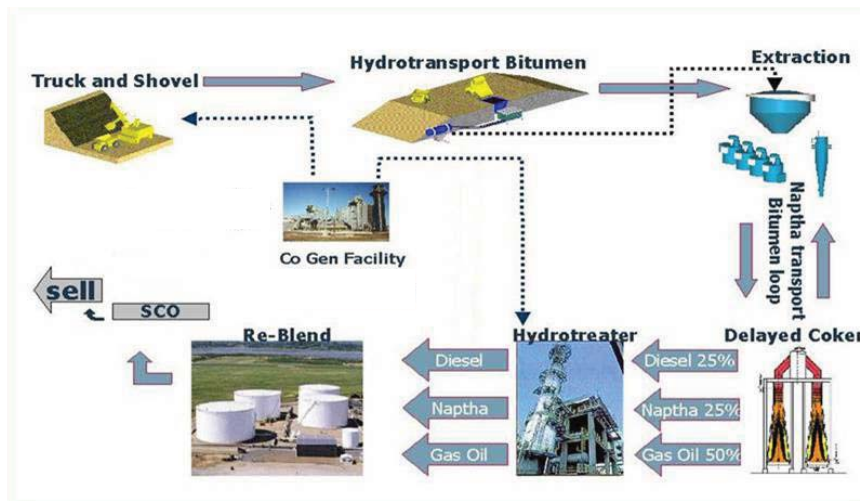


Technology Maximizes Recovery and Value

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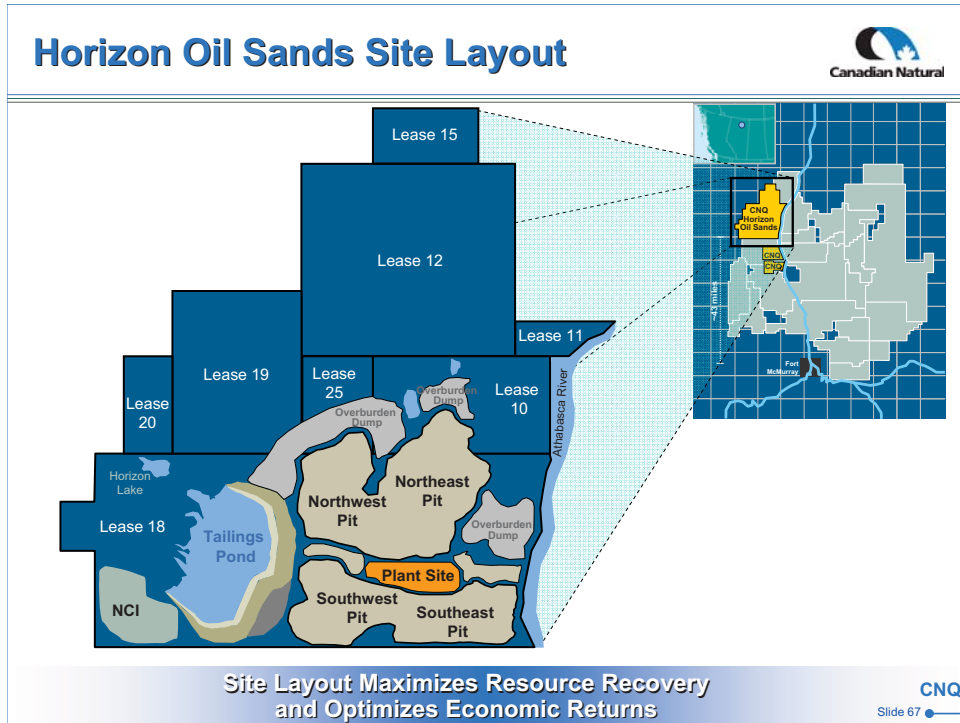
Horizon Oil Sands Process and Technology



Only Proven Technologies Will be Utilized Reducing Technology Risks

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Revolving Bank Credit Facilities

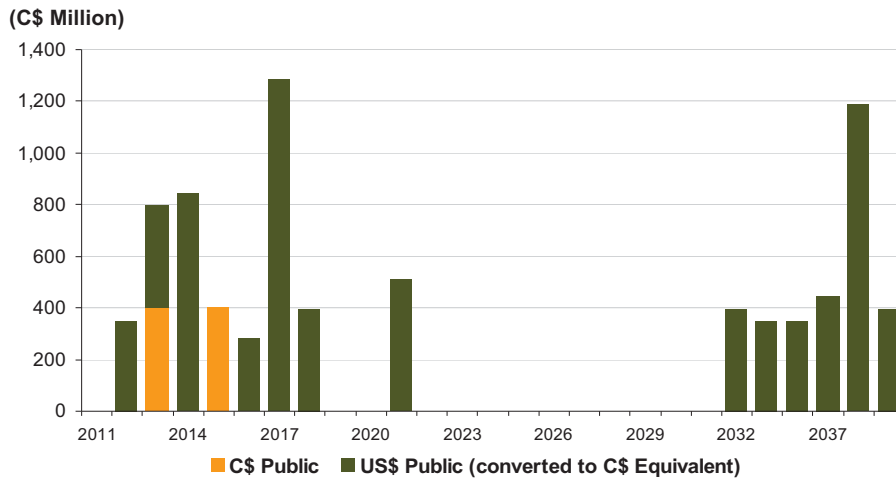
	(C\$ Million)	Maturity
Revolving bank line - Conventional	\$ 3,000	June 2015
Revolving bank line - Horizon	\$ 1,500	June 2012
Operating demand loan	\$ 200	Demand
North Sea operating line (£15 Million)	\$ 23	Demand
Total bank lines	\$ 4,723	
Available – Sept 30, 2011	\$ 2,200	

- Subsequent to September 30, 2011 Canadian Natural issued US\$ 1 Billion in 3 and 10 year notes. Net proceeds from the sale of the notes will be used to repay the bank indebtedness.

Solid Lines of Liquidity

Canadian Natural
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Maturity Schedule Public Debt



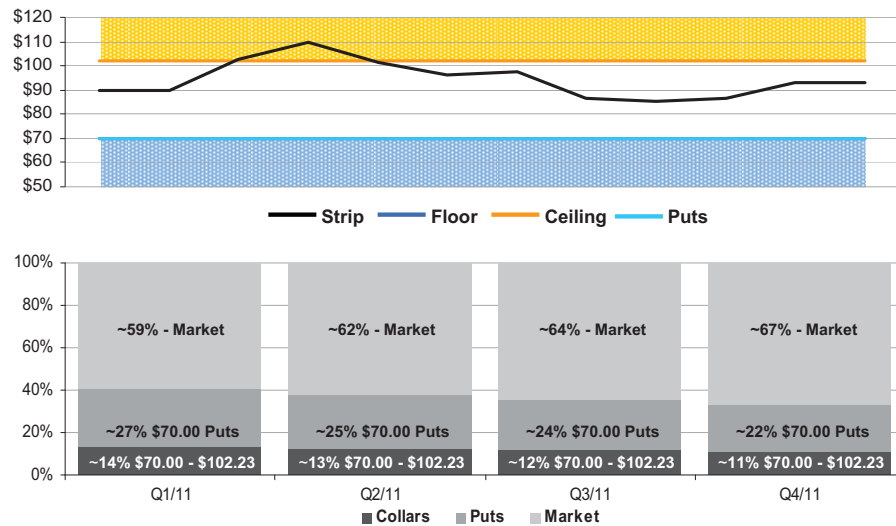
Note: Represents principal repayments only and does not reflect fair value adjustments, original issue discounts or transaction costs.

Manageable Refinancing



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2011 Crude Oil Hedging WTI (US\$/bbl)



Note: Refer to quarterly reports for detailed hedging positions. Strip pricing as at Oct 28, 2011.

Upside Opportunity, Downside Protection



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Resource Disclosure ⁽¹⁾



1. Bitumen (Thermal Oil)

Discovered Bitumen Initially-in-place	78.0 billion barrels
Proved Company Gross Reserves	0.9 billion barrels of Bitumen
Probable Company Gross Reserves	0.8 billion barrels of Bitumen
Best Estimate Contingent Resources other than Reserves	6.8 billion barrels of Bitumen
Bitumen Produced to Date	0.3 billion barrels
Unrecoverable portion of Discovered Bitumen Initially-in-place ⁽²⁾	69.2 billion barrels

2. Pelican Lake Heavy Crude Oil Pool

Discovered Heavy Crude Oil Initially-in-place	4,100 million barrels
Proved Company Gross Reserves	234 million barrels of heavy crude oil
Probable Company Gross Reserves	104 million barrels of heavy crude oil
Best Estimate Contingent Resources other than Reserves	198 million barrels of heavy crude oil
Heavy Crude Oil Produced to Date	153 million barrels
Unrecoverable portion of Discovered Heavy Crude Oil Initially-in-place ⁽²⁾	3,411 million barrels

3. Horizon Oil Sands Synthetic Crude Oil

Discovered Bitumen Initially-in-place	14.3 billion barrels
Proved Company Gross Reserves - 1.9 billion barrels of SCO	
Bitumen volume associated with Proved SCO reserves	2.3 billion barrels of Bitumen
Probable Company Gross Reserves - 1.0 billion barrels of SCO	
Bitumen volume associated with Probable SCO reserves	1.1 billion barrels of Bitumen
Best Estimate Contingent Resources other than Reserves	3.0 billion barrels of Bitumen
Bitumen Produced to Date	0.1 billion barrels of Bitumen
Unrecoverable portion of Discovered Bitumen Initially-in-place ⁽²⁾	7.8 billion barrels

⁽¹⁾ All volumes are company gross.

⁽²⁾ A portion may be recoverable with the development of new technology.

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Volumes shown are Company share before royalties unless otherwise stated.

Forward Looking Statements

Certain statements in this document or documents incorporated herein by reference constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements can be identified by the words "believe", "anticipate", "expect", "plan", "estimate", "target", "continue", "could" "intend", "may", "potential", "predict", "should", "will", "objective", "project", "forecast", "goal", "guidance", "outlook", "effort" "seeks", "schedule" or expressions of a similar nature suggesting future outcome or statements regarding an outlook. Disclosure related to expected future commodity pricing, production volumes, royalties, operating costs, capital expenditures, and other guidance provided in the 2011 outlook section and throughout this document and the documents incorporated herein by reference constitute forward looking statements. Disclosure of plans relating to expected results of existing and future developments including but not limited to Horizon oil sand future expansion, ability to recover insurance proceeds, Primrose, Pelican Lake, Olowi Field (Offshore Gabon), the Kirby Thermal Oil Sands Project, the Keystone Pipeline US Gulf Coast expansion, and the construction and future operations of the North West Redwater bitumen refinery also constitute forward-looking statements. This forward-looking information is based on annual budgets and multi-year forecasts and is reviewed and revised throughout the year as necessary in the context of targeted financial ratios, project returns, product pricing expectations and balance in project risk and time horizons. These statements are not guarantees of future performance and are subject to certain risks. The reader should not place undue reliance on these forward looking statements as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur.

In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment based on certain estimates and assumptions that the reserves described can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of proved and proved plus probable crude oil and natural gas reserves and in projecting future rates of production and the timing of development expenditures. The total amount or timing of actual future production may vary significantly from reserve and production estimates.

The forward-looking statements are based on current expectations, estimates and projections about the Company and the industry in which the Company operates, which speak only as of the date such statements were made or as of the date of the report or document in which they are contained and are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others: general economic and business conditions which will, among other things, impact demand for and market prices of the Company's products; volatility of and assumptions regarding crude oil and natural gas prices; fluctuations in currency and interest rates; assumptions on which the Company's current guidance is based; economic conditions in the countries and regions in which the Company conducts business; political uncertainty, including actions of or against terrorists, insurgent groups or other conflict including conflict between states; industry capacity; ability of the Company to implement its business strategy, including exploration and development activities; impact of competition; the Company's defense of lawsuits; availability and cost of seismic, drilling and other equipment; ability of the Company and its subsidiaries to complete its capital programs; the Company's and its subsidiaries' ability to secure adequate transportation for its products; unexpected difficulties in mining, extracting or upgrading the Company's bitumen products; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; ability of the Company to attract the necessary labour required to build its thermal and oil sands mining projects; operating hazards and other difficulties inherent in the exploration for and production and sale of crude oil and natural gas and in mining, extracting or upgrading the Company's bitumen products; availability and cost of financing; the Company's and its subsidiaries' success of exploration and development activities and their ability to replace and expand crude oil and natural gas reserves; timing and success of integrating the business and operations of acquired companies; production levels; imprecision of reserve estimates and estimates of recoverable quantities of crude oil, bitumen, natural gas and natural gas liquids ("NGLs") not currently classified as proved; actions by governmental authorities; government regulations and the expenditures required to comply with them (especially safety and environmental laws and regulations and the impact of climate change initiatives on capital and operating costs); asset retirement obligations; the adequacy of the Company's provision for taxes; and other circumstances affecting revenues and expenses. The Company's operations have been, and in the future may be affected by political developments and by federal, provincial and local laws and regulations such as restrictions on production, changes in taxes, royalties and other amounts payable to governments or governmental agencies, price or gathering rate controls and environmental protection regulations. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon its assessment of the future considering all information then available.

Readers are cautioned that the foregoing list of important factors is not exhaustive. Unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements. Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to it on the date such forward-looking statements are made, no assurances can be given as to future results, levels of activity and achievements. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Except as required by law, the Company assumes no obligation to update forward-looking statements should circumstances or Management's estimates or opinions change.

HEDGING



At September 30, 2011, the Company had the following net derivative financial instruments outstanding:

	Remaining term		Volume	Weighted average price		Index
Crude oil						
Crude oil price collars	Oct 2011	– Dec 2011	50,000 bbl/d	US\$70.00	– US \$102.23	WTI
Crude oil puts	Oct 2011	– Dec 2011	100,000 bbl/d		US\$70.00	WTI

During the fourth quarter of 2011, US\$27 million of put option costs will be settled.

	2005	2006	2007	2008	2009	2010
Operational Information						
<u>Daily production, before royalties</u>						
Crude oil and NGLs (mmbbl/d)	313	332	331	316	355	425
Natural gas (mmcf/d)	1,439	1,492	1,668	1,495	1,315	1,243
Barrels of oil equivalent (mboe/d)	553	581	609	565	575	632
<u>Daily production, after royalties</u>						
Crude oil and NGLs (mmbbl/d)	283	301	293	276	318	369
Natural gas (mmcf/d)	1,147	1,209	1,402	1,246	1,214	1,193
Barrels of oil equivalent (mboe/d)	474	502	526	484	525	568
<u>Proved reserves, after royalties⁽¹⁾</u>						
Crude oil and NGLs (mmbbl)	1,118	1,316	1,358	1,346	1,377	1,519
Natural gas (bcf)	2,842	3,798	3,666	3,684	3,179	3,792
Barrels of oil equivalent (mboe)	1,592	1,949	1,969	1,960	1,907	2,151
Mining reserves, SCO (mmbbl)			1,761	1,946	1,650	1,597
<u>Drilling activity, net wells</u>						
Crude oil and NGLs	627	603	592	682	644	934
Natural gas	890	641	383	269	109	92
Dry	117	119	93	39	46	33
Strats and service	248	375	254	131	329	491
<u>Realized product pricing, before hedging activities & after transportation costs</u>						
Crude oil and NGLs (C\$/bbl)	46.86	53.65	55.45	82.41	57.68	65.81
Natural gas (C\$/mcf)	8.57	6.72	6.85	8.39	4.53	4.08
<u>Results of operations (C\$ millions, except per share)</u>						
Cash flow from operations	5,021	4,932	6,198	6,969	6,090	6,321
per share	4.68	4.59	5.75	6.45	5.62	5.81
Net earnings	1,050	2,524	2,608	4,985	1,580	1,697
per share	0.98	2.35	2.42	4.61	1.46	1.56
Capital expenditures (net, including combinations)	4,932	12,025	6,425	7,451	2,997	5,506
<u>Balance Sheet Info (C\$ millions)</u>						
Property, plant and equipment	19,694	30,767	33,902	38,966	39,115	40,472
Total assets	21,852	33,160	36,114	42,650	41,024	42,669
Long-term debt	3,321	11,043	10,940	12,596	9,658	8,499
Shareholders' equity	8,237	10,690	13,321	18,374	19,426	20,985
Ratios						
Debt to cash flow, trailing 12 months	0.7x	2.2x	1.8x	1.9x	1.6x	1.3x
Debt to book capitalization	29%	51%	45%	41%	33%	29%
Return to common equity, trailing 12 months	14%	27%	22%	33%	8.4%	8%
Daily production before royalties per 10,000 common shares	5.2	5.4	5.6	5.2	5.3	5.8
Proved and probable reserves before royalties per common share*	2.4	3.2	3.2	3.1	5.8	6.3
*2009 and 2010 Horizon SCO included in Crude Oil and NGLs reserves						
Share information						
Common shares outstanding	1,072,696	1,075,806	1,079,458	1,081,982	1,084,654	1,090,848
Weighted average common shares	1,073,300	1,074,678	1,078,672	1,081,294	1,083,850	1,088,096
Dividend per share (C\$)	0.12	0.15	0.17	0.20	0.21	0.30
TSX trading info						
Average daily trading volume (thousands)	5,084	4,056	3,418	5,416	4,144	3,544
High (C\$)	31.00	36.96	40.01	55.65	39.50	44.70
Low (C\$)	12.14	12.14	26.23	17.10	17.93	32.91
Close (C\$)	28.82	31.08	36.29	24.38	38.00	44.35

(1) Reserves prior to 2010 were calculated using constant prices and 2010 calculations were based on escalating prices due to a change in disclosure requirements.

Note: All per share data adjusted for 2004, 2005 and 2010 stock splits.

	Fourth Quarter 2011	2011 Guidance	2012 Budget
Daily Production Volumes (before royalties)			
Natural gas (MMcf/d)			
North America	1,255 - 1,275	1,230 - 1,235	1,245 - 1,305
North Sea	6 - 7	7 - 8	4 - 7
Offshore Africa	18 - 22	19 - 20	16 - 22
	<u>1,279 - 1,304</u>	<u>1,256 - 1,263</u>	<u>1,265 - 1,334</u>
Crude oil and NGLs (Mbbbl/d)			
North America	277 - 297	292 - 297	320 - 340
North America – Oil Sands Mining	105 - 110	41 - 42	105 - 115
North Sea	28 - 30	30 - 31	24 - 29
Offshore Africa	20 - 24	22 - 23	15 - 20
	<u>430 - 461</u>	<u>385 - 393</u>	<u>464 - 504</u>
Capital Expenditures (C\$ millions)			
North America natural gas		\$ 740	\$ 815
North America crude oil and NGLs		1,855	2,010
North America thermal crude oil			
Primrose and Future		810	710
Kirby South Phase 1 and other		440	710
North Sea crude oil		235	350
Offshore Africa crude oil		60	130
Property acquisitions, dispositions and midstream		1,090	135
		<u>5,230</u>	<u>4,860</u>
Horizon Oil Sands Project			
Project capital			
Reliability - Tranche 2		275	165
Directive 74 and Technology		45	215
Phase 2A		125	345
Phase 2B		35	720
Phase 3		45	475
Phase 4		15	30
Total Capital Projects		<u>540</u>	<u>1,950</u>
Sustaining capital		175	225
Turnarounds and reclamation		115	45
Capitalized interest and other		50	135
Total Horizon Project		<u>880</u>	<u>2,355</u>
Total Capital Expenditures		<u>\$ 6,110</u>	<u>\$ 7,215</u>
Redwater Upgrading and Refining Equity Investment		345	-
Primary Upgrader Fire Recovery		390 - 410	-

*The Company believes that it has adequate insurance coverage to mitigate all significant property damage related losses.

Average Annual Cost Data

	Royalty Rate	Operating Cost	Royalty Rate	Operating Cost
Natural Gas - North America (Mcf)	3 - 5%	\$1.08 - 1.14	3 - 5%	\$1.10 - 1.20
Crude oil and NGLs (bbl)				
North America (excluding Oil Sands Mining)*	17 - 19%	\$12.00 - 13.00	18 - 21%	\$11.00 - 13.00
North Sea	-	\$37.00 - 38.00	-	\$43.00 - 48.00
Offshore Africa	10 - 12%	\$21.00 - 22.00	13 - 15%	\$27.00 - 29.00

Other Information

Cash income and other taxes (C\$ millions)			
Sask. Resources Surcharge/Capital Tax		\$20 - 30	\$20 - 30
Current income taxes – North America		\$250 - 300	\$700 - 800
Current income taxes – International and Petroleum Revenue Tax (PRT)		\$500 - 540	\$200 - 300
Effective income tax rate on adjusted earnings		26% - 30%	26% - 30%
Midstream cash flow (C\$ millions)		\$55 - 60	\$50 - 60
Average corporate interest rate		4.65% - 4.90%	4.50% - 4.90%

Note: Interest rates are subject to change depending upon short term rate changes. Cash income taxes are subject to variation with commodity prices and the level and classification of capital expenditures. Cash PRT is subject to variation due to commodity price and capital spending. 2011 guidance based on an average annual WTI of US\$93.21/bbl, NYMEX of US\$4.12/MMBtu and an exchange rate of US\$1.00 to C\$0.99. 2012 guidance based on an average annual WTI of US\$87.79/bbl, US\$4.20/MMBtu (approx. AECO C\$3.50/GJ) and an exchange rate of US\$1.00 to C\$1.02.

This document contains forward-looking statements under applicable securities laws, including, in particular, statements about Canadian Naturals' plans, strategies and prospects. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated. Please refer to the Company's Interim Report or Annual Information Form for a full description of these risks and impacts.



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